(5/11/2010) Paul Baker - Re: tar sands mining

Task 3483 Complete
Page

From:

Paul Baker

To:

mbmcafee@fone.net 5/11/2010 4:34 PM

Date: Subject:

Re: tar sands mining

MAY 1 1 2010

Div. of Oil. Gas & Mining

Dr. McAfee--

As you note, the tar sands deposits in Utah are substantially different from those in Canada which allows the operator to use a different process. Use of a citrus-based solvent allows the operator to extract bitumen from the sands with substantially less water than is used in Canada, so Earth Energy would not need to have tailings ponds or use some of the chemicals used in the Canadian processes.

Oil, Gas and Mining (the Division) does not regulate water rights and has limited information about the aguifer from which Earth Energy would be extracting its water. Once again, though, there is relatively little water used in the process compared to Canadian operations. About 220,000 gallons would be used each day at full production which is about 236 acre-feet annually.

The Division does not address the economic viability of a project so long as the operator complies with the Mined Land Reclamation Act and submits an adequate reclamation surety to ensure the site can be reclaimed.

I don't know of negative effects there would be on public health. There is little likelihood of affecting either surface or ground water. Surface water would be entirely contained on site, and tests on leachates have yielded nothing detrimental. There should not be a serious problem from fugitive dust, especially since the sand is damp. It is not anticipated that air quality permits should be required because there would be few emissions. The EPA is the regulatory authority for air quality issues for most of the site, and they have determined that no permit for oil refining operations is needed.

The process Earth Energy plans to use has never been done in Utah except on a pilot scale, but all available information indicates it can be done in compliance with applicable laws. We also believe the reclaimed mine will have topography and vegetation similar to what currently exists and that the revegetation potential is high.

I hope I have adequately answered you questions. Please let me know if you have further clarification.

Paul Baker Minerals Program Manager Utah Division of Oil, Gas and Mining 801-538-5261 Fax 801-359-3940

>>> <<u>mbmcafee@fone.net</u>> 4/7/2010 9:20 AM >>> Hello,

I am writing to urge your office to decline the applications for tar sands mining in Utah. It appears that this Canadian company has not done enough research to show that the tar sands in Utah are enough like those in Canada that they can utilize the same methods; in fact, the deposits are much different...the difference between a rainforest and arid desert. One size does not fit all. Because of this difference there is less chance for economic gain because it simply is going to cost more to get oil from these deposits in Utah. I am also concerned about water needed in this operation, again, we are a desert environment. There also does not seem to be enough information regarding the effects on public health of such operations in Utah. Simply put, there is not enough information to allow such an application to proceed.

Thank you,

Mary Beth (MB) McAfee

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